

DAVID Y. IGE  
Governor

JOSH GREEN  
Lt. Governor



PHYLLIS SHIMABUKURO-GEISER  
Chairperson, Board of Agriculture

**DEPT. COMM. NO. 220**  
MORRIS M. ATTA  
Deputy to the Chairperson

State of Hawaii  
DEPARTMENT OF AGRICULTURE  
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December 26, 2019

The Honorable Ronald D. Kouchi,  
President and Member of the Senate  
Thirtieth State Legislature  
State Capitol, Room 409  
Honolulu, HI 96813

The Honorable Scott K. Saiki,  
Speaker and Member of the House of  
Representatives  
Thirtieth State Legislature  
State Capitol, Room 431  
Honolulu, HI 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

For your information and consideration, I am transmitting a copy of the Report on All Moneys Deposited into and Disbursed from the Pesticide Use Revolving Fund as required by Act 154, SLH 2000. In accordance with Section 93-16, Hawaii Revised Statutes, I am also informing you that the report may be viewed electronically at <http://hdoa.hawaii.gov/>.

Sincerely,

A handwritten signature in cursive script that reads "Phyllis Shimabukuro-Geiser".

Phyllis Shimabukuro-Geiser, Chairperson  
Board of Agriculture

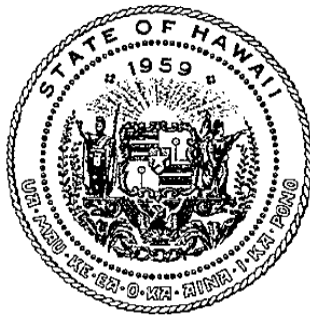
Enclosures



**REPORT TO THE THIRTIETH LEGISLATURE  
2020 REGULAR SESSION  
STATE OF HAWAII**

**REPORT ON ALL MONEYS DEPOSITED INTO AND DISBURSED FROM  
THE PESTICIDE USE REVOLVING FUND**

**ACT 154, SLH 2000**



**PREPARED BY:**

**THE STATE OF HAWAII  
DEPARTMENT OF AGRICULTURE**

**DECEMBER 2019**

## **PESTICIDE USE REVOLVING FUND**

### **Annual Report to Legislature for Fiscal Year 2019**

#### **Background**

In the Twentieth State Legislature, Regular Session of 2000, Act 154 was passed which amended Chapter 149A-13.5 to add subsection (f), which requires the Department of Agriculture to submit an annual report to the legislature on all moneys deposited into and disbursed from the pesticide use revolving fund. The following information is reported:

1. Licensing and registration fees and charges collected by the department for pesticides products and training fees;
2. Expenditures for registration and licensing, certification and education, and compliance monitoring activities;
3. Fees set for education services and training;
4. Interest earned on the deposit or investment of the funds; and
5. Balance lapsed into the state general fund.

#### **Executive Summary**

This report covers the period from July 1, 2018 to June 30, 2019.

**Revenue:** The primary source of revenue is from licensing pesticide products. The pesticide product license fee during the reporting period was \$330 for a three-year license. Approximately \$1,034,330 was collected from pesticide product licensing. Most of the educational activities of the pesticide program staff are associated with other programs offered by the University of Hawaii, the Hawaii Pest Control Association, Hawaii Farm Bureau, Kamehameha Schools, and the Landscape Industry Council of Hawaii. These organizations charge a fee and the Department's staff participate in these activities without compensation. If a special class or session is necessary to provide a certification opportunity for an individual or group, a training fee of \$25 per hour plus travel costs may be assessed.

Interest earned from the Pesticide Use Revolving Fund was \$4,313.52.

Total revenue for FY2019 for the Pesticide Use Revolving Fund: \$1,062,659.52.

**Expenditures:** Nine (9) positions in the registration and certification/education section are charged to this fund. Personnel costs accounted for \$879,860.13 of \$1,536,202.78 in operating expenditures. Funds returned to the General Fund during FY2019: \$0.

Funds encumbered in prior fiscal years affect the balance reported in the fund. The following summary shows all fund activity regardless of the year the funds were encumbered:

Fund balance on July 1, 2019	\$ 609,481.59
Receipts	\$ 1,062,659.52
FY2019 expenditures	\$ 1,536,202.78
Fund balance on June 30, 2019	\$ 135,938.33
All outstanding encumbrances	\$ 6,021.70
Funds returned to the general fund	\$ 0.00

### **A. Pesticide Use Revolving Fund Revenue**

Licensing and registration fees and charges collected by the Department for pesticide products and training fees are the two sources of revenue for the Pesticide Use Revolving Fund. In FY 2019, \$1,034,330 in licensing fees were collected. Additional revenue of \$28,329.52 were received for civil penalties (as provided for by Act 45 of the 2018 Legislature) to provide total receipts of \$1,062,659.52.

The Department did not collect training fees for FY2019. Note that a few other trainers provide fee for service training and to avoid State competition where either the University or private trainers can provide training at a reasonable cost, Department staff only provide training when there is shortage of training opportunities, and fees of \$25 per hour and travel costs may be charged.

### **B. Pesticide Use Revolving Fund Expenditures and Obligations**

Expenditures for registration and licensing, certification and education, and compliance monitoring activities for funds in fiscal years prior to and disbursed during FY2019 totaled \$359,246.64. FY2019 funds expended or obligated during fiscal year 2019 are as follows:

Personnel costs for nine (9) staff in the Registration and Certification & Education Sections were funded by the Pesticide Use Revolving Fund. These personnel are the section chief, three (3) registration specialists of the Registration and Technical Review Unit, who are responsible for the licensing of pesticides and collection of pesticide-licensing fees, and five (5) staff in the Certification and Education Section, who provide education and training services to pesticides users and administer certification examinations for applicators to apply restricted use pesticides. A Quality Assurance, Chem IV, position (1) was added to the Chemistry lab and paid for the Pesticide Use Revolving Fund. The position is to bring the lab up to ISO certification so that analyses done by the lab will hold up in court, should circumstances require. The Program Manager was also funded by the Pesticide Use Revolving Fund. Personnel costs were \$879,434.65.

## **1. Registration and Technical Review**

Miscellaneous expenses for this activity area include groundwater reviews and studies, office supplies, subscriptions, postage and delivery charges, and other miscellaneous expenses. Total support from the Pesticide Use Revolving Fund for pesticides registration and licensing was approximately \$33,426.45.

## **2. Certification and Education**

Miscellaneous expenses for this activity include office supplies, translation services, and intrastate travel associated with administering certification examinations and educational consultations on Oahu, Hawaii, Kauai, Maui, and Molokai. Total support from the Pesticide Use Revolving Fund for the certification and education program was approximately \$165,157.41.

## **3. Compliance Monitoring**

Compliance monitoring expenses were related to purchasing scientific supplies, laboratory equipment, other materials and supplies, rent, repair, utilities and service and maintenance of equipment. Chemistry Analytic Lab (CAL) expenditures of the Pesticide Use Revolving Fund totaled \$98,937.63.

## **Funds Expended for Fiscal Year 2019 (“Other” Expenditures Only)**

Total funds spent from the Pesticide Use Revolving Fund under the “Other” expenditures only category was about \$297,521.49.

## **C. Training Fees Established**

A fee of up to \$25 per hour of educational services or training provided by the Department was established. The effective date of this fee was December 16, 2006.

## **D. Interest Earned**

\$4,313.52

## **E. Funds Returned to the General Fund**

\$0.00